



City of Milwaukee

Meeting Minutes

City Hall
200 East Wells Street
Milwaukee, WI 53202

CONVENIENT LENDING TASK FORCE

ALD. JOE DAVIS, Chair

Ald. Terry Witkowski, Vice-Chair, Chris Callen, Kathryn Crumpton, Dorothy Dean, Dimitri Jordan, Anna Ruzinski, Bethany Sanchez, Jim Walrath, Bobbie Webber Jr.

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Friday, March 3, 2006

9:00 AM

City Hall, Room 301-B

Meeting Convened: 9:08 A.M.

Members Present: Ald. Davis, Mr. Callen, Ms. Crumpton, Ms. Dean, Deputy Inspector Ruzinski, Ms. Sanchez, Mr. Walrath and Mr. Franitza.

Members Excused: Ald. Witkowski, Mr. Webber Jr.

1) Approval of the minutes of the February 3, 2006 meeting

Motion by Ms. Dean to approve the minutes of the February 3, 2006 meeting. Seconded by Deputy Inspector Ruzinski.

Prevailed. 8-0

2) Review of draft outline and recommendations

Mr. Jeff Osterman, Legislative Reference provided a draft outline of the task force's final recommendations. Members discussed the following topics relative to the draft outline.

Mr. Osterman advised members that research information was still needed to address neighborhood impact issues, in addition to research relating to the relationships between banks and lending establishments.

Ms. Sanchez advised members that her intent was to use information from DFI for the neighborhood impact portion of the research however, unsuccessful attempts to obtain information from DFI has prevented adequate research on this topic.

Mr. Callen advised members that the current forms being filled out by lenders is not public information, and does not break down the customer base by neighborhood or zip code, etc. He recommended that part of the task forces' final recommendation should include that both state and local levels identify customer base by zip code.

Ald. Davis also recommended that part of the final recommendation through the city's Intergovernmental Relations Department; include lobbying the state to give information to local municipalities on an annual designated cycle, so that the economic impact could be tracked on various neighborhoods throughout the city.

Mr. Callen advised members that one way to obtain data relative to customer base and

where concentration is being put on customers, who are in default, would be through small claims court documentation. He also advised that this would be an extremely time consuming measure.

Ms. Sanchez referenced a previously submitted research document relative to the Loan Company Annual Report (Schedule B). She advised members that if the task forces were able to obtain aggregate data from the report, which would include the number of loans in Milwaukee if possible, if not, data relative to the state and the dollar amounts the task force would have the ability to extrapolate from that data.

In addition, Ms. Sanchez suggested the part of the final recommendation include the availability of data to necessary entities in aggregate as well as consumer information.

Ald. Davis advised members that during his attendance at the National League of Cities Conference, he would find out what is being done nationally to obtain consumer data from various municipalities. In addition, Ald. Davis advised members that he would like to also include in the final recommendations the importance of the state increasing their capacity so that they have the ability to do audit's annually.

Ms. Dean suggested that a list of questions of interest from the task force be included in an open records request to DFI.

Ald. Davis informed members that he would work with the Legislative Reference Bureau staff after the meeting to draft a request for open records. He also advised members that the goal is to review the outlined recommendations for approval, with the understanding that there is an open records request pending. In addition, if the information relative to the open records request were returned from DFI, in a timely manner the information would be included in the final report.

Ms. Sanchez requested confirmation of what the task forces recommendations would be?

Mr. Callen requested confirmation of how the data would be used in the final recommendations?

Ald. Davis responded that the as much data as possible, relative to process by which information is collected and dispensed by entities involved with convenient cash businesses should be included in the final report a better understanding of how to move forward and encourage positive changes.

Deputy Inspector Ruzinski recommended that the open records request be made requesting the aggregated data if it exists, however if it does not exists, individual data should be requested, The data returned per the request would help the task force identify the areas where the state may need to make improvements, which could included in the final report.

Ms. Sanchez suggested that data be requested by zip code for the city of Milwaukee.

Ms. Crumpton suggested that the open records request from the task force include a list of zip codes for the city of Milwaukee.

An aggregate report specifically for the city of Milwaukee, if this data is not available, data for Milwaukee County should be forwarded. In the event data cannot be provided for either the city or county, the request should be made to include all of the Schedule (B) Loan Companies Annual Reports for the city of Milwaukee.

Ms. Dean suggested that the open records request include data relative to the customer base.

Mr. Osterman advised members that the section of the final draft dealing with regulations on the state, federal and local levels was complete and the only data missing at this point was the recommendations.

Ms. Dean advised members that through her research of convenient cash businesses, she found information about a unique partnership program with the Goodwill in Appleton, that offered an alternative to using payday lenders. She suggested that this type of establishment would be a positive alternative for the city of Milwaukee, that would include consumer education. She also informed members that Landmark Credit Union, Christ the King and First Service Credit Union are currently partnering with credit counseling agencies in this program

Ms. Crumpton advised members that this program is actually a partnership between the Goodwill Industries and credit counseling agencies.

Ms. Sanchez supported the task force making a recommendation to aggressively pursue a similar program for the city of Milwaukee.

Ald. Davis recommended that this information be included in the final recommendations under alternatives.

Mr. Walrath advised members of a list serve run by Jean Ann Fox, Director of Consumer Affairs for the Federation of America, which provides ongoing information. They report on state consumer protection legislation and occasional litigation matters around the country.

Ald. Davis requested members review the draft recommendation report and contact Mr. Osterman with suggested changes via e-mail prior to the next meeting.

Mr. Walrath advised members that he would like to include recommendations in that final report that would include s. 138.10 of the Wis. State Stats. to recommend that there be more state inquiry and analysis to convenient lending establishments, as they seem to be consistent with pawn broking.

In addition, Mr. Walrath suggested members refer to Appendix Q and include density type controls in their final recommendations.

Motion by Mr. Walrath to include a recommendation in the final report for DFI to amend their annual report to include data that identifies their customer base, in addition to the zip code or other geographic identification. Additionally that it allow public access to this information on their annual report that. Seconded by Ms. Sanchez.

Prevailed. 7-0.

Motion by Deputy Inspector Ruzinski to make a recommendation that city ordinances be reviewed and that the Milwaukee Police Department, the Legislative Reference Bureau and the City Attorney's Office look at tightening city ordinances pertaining to convenient lending businesses relative to safety measures. Seconded by Ald. Witkowski.

Prevailed. 7-0.

Deputy Inspector Ruzinski presented a map to members addressing robberies occurring in the vicinity of banks and convenient lending establishments, to be included in the final recommendations report.

*Motion by Ms. Sanchez to include this data in the final recommendation report.
Seconded by Ald. Witkowski.*

Prevailed. 7-0.

Mr. Franitza presented current ordinances addressing special use criteria and use variance criteria regulating convenient lending establishments.

Ald. Davis requested that members submit all recommendations to Mr. Osterman or council staff, no later than Monday, April 3, 2006 for distribution to members for review.

3) Public Comments

Peggy Partenfelder-Moede, Patrick Essie and Associates reported the following to address the task forces' concerns regarding the lack of data available:

The information is available; the only study that has been completed by the Department of Financial Institutions (DFI) was done back in 2001.

The data that is currently available is how many stores are out there, how many loans are being done a year, as well as the volume of loans. DFI and each one of the licensees do have the ability to go in and audit each one of these stores on a yearly basis. The audits are supposed to be paid for by the industry.

The problem is that due to the financial constraints at the state budget level, that isn't happening so a lot of the numbers members are seeking are not available because the audits are not being performed due to the lack of funds.

A lot of the general information such as, how much money is being done, how much money is out of state, how much money is in state, how many are owned by banks, is available.

Ms. Partenfelder-Moede advised the task force that the state is required to provide all of this information that the state is required to provide.

In addition, Ms. Partenfelder-Moede indicated that she would be willing to provide the data to the chair of the task force. She also advised members that through an open records request that they are able to request the data from the state, but that they should keep in mind the data is not current.

Ms. Partenfelder-Moede also suggested that Ald. Davis contact Carrie Templeton at DFI (608) 267-1719 for his open records request.

4) Next meeting date and time

Friday, April 7, 2006, City Hall, Room 301-B

Meeting Adjourned: 10:33 A.M.

